

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

Capital Budget Process

The Capital Improvement Program (CIP) is a six-year financing plan for infrastructure improvements, facility construction and improvement, and equipment acquisition. The City's emphasis on long-range capital improvement planning focuses attention on the current and future needs of the community and on balancing those needs with the City's fiscal resources.

The CIP is updated annually based on input from City Council, the public and City staff. The FY 2009-10 CIP is influenced by a number of other planning processes, including the City's long-range Strategic Operating Plan, the Unified Development Ordinance, the Parks & Recreation Master Plan, the Pedestrian Thoroughfare Plan, and the Parking Study.

The annual capital budget process begins in December, about one month before departments begin work on their operating budgets. Departments submit a list of CIP requests to the Budget & Research Office in mid January. Budget & Research then reviews all requests, including projects that had been tentatively scheduled in previous years' CIPs, and makes recommendations to the City Manager and the management team. Following the City Manager's review, the CIP is then submitted to the City Council for approval along with the City's annual operating budget. Approval of the CIP commits the City to the first year of capital projects.

In order to be included in the CIP, a capital item or construction project must have a useful life of more than one year and an initial cost of at least \$25,000. All capital items not meeting these criteria are included in the annual operating budget as capital outlay. The one exception to this rule is vehicles. All vehicle purchases, regardless of price, are included in the CIP.

General Capital Reserve Fund

The General Capital Reserve Fund provides funding for all general government capital needs. FY 2009-10 funding is provided by an \$8,367,222 pay-as-you-go contribution from the General Fund, \$2,076,000 in debt proceeds, and \$534,000 in savings from prior year CIP projects. Major departmental itemized requests are displayed as approved.

Civic Center Capital Fund

The Civic Center Capital Fund includes a \$250,000 transfer from the General fund to fund building maintenance and improvement projects.

Water Resources Fund

CIP items and projects in the Water Resources Operating & Capital Improvement Funds are funded with utility revenues generated by the Water Resources Operating Fund and the capital improvements fee. The FY 2009-10 budget includes \$5.6 million in capital improvement projects. In addition, \$701,000 is budgeted in FY 2009-10 to replace capital equipment.

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SUMMARY OF MAJOR GENERAL CAPITAL PROJECTS

- The adopted CIP includes \$1.87 million to fund sewer projects for the Sardis Road and Airport Road annexation areas. Council budgeted \$180,000 in FY 2007-08 for initial design work on the Sardis Road sewer. To complete installation of the sewer, the FY 2009-10 includes an additional \$1,620,000 in funding. The full cost of the Airport Road sewer project, including both design and installation, is budgeted at \$250,000. The City has \$534,000 in savings available from previous annexation sewer projects which can be used to fund a portion of the \$1.87 million cost for the Sardis and Airport Road projects. The City will borrow funds to cover the remaining \$1.33 million needed for these projects.
- The adopted CIP includes \$752,000 in funding for vehicle replacement, which is a sharp decline from funding levels in recent years. All of this funding will go toward the replacement of vehicles in the Fire and Rescue, Police, and Public Works Departments, including the replacement of one \$240,000 auto-loader garbage truck, which will be financed with debt proceeds.
- The technology improvements category includes \$335,000 of which \$135,000 will go toward the ongoing replacement of public safety radios. The remaining \$200,000 will be used to fund technology improvements to aid the development review process. The funding for these improvements will come from the development review technology fee that Council approved in April 2008.
- The facility & equipment maintenance category includes \$568,000. Of this amount, \$275,000 will be used for ongoing City-wide general building needs. Another \$125,000 will go to enhance security at City-owned facilities. \$110,000 is included to replace three 18-year old generators that service the City's radio tower sites. The facility & equipment maintenance category also includes \$58,000 to replace old equipment used in the production of programming for the City's government television. Funding for this item comes from the PEG revenue that is received as a part of the video (former cable franchise) services taxes collected by the state and shared with municipalities.
- Due to budget constraints, the capital funding for the Civic Center is reduced from \$400,000 to \$250,000.
- The CIP includes an ongoing contribution of \$952,300 to the Street & Sidewalk Fund for maintenance & repair of existing streets & sidewalks.
- The CIP includes \$250,000 in funding for the final payment on the Beaucatcher Overlook Park land. The City has applied for a PARTF grant to help defer the cost of the Overlook land purchase, but will likely not know the outcome of the grant application process prior to July 1. Staff will return to Council and amend the budget if the grant application is successful.
- The Parks & Recreation CIP includes \$535,000 in funding. \$35,000 will go to meet the City's contractual obligation to provide annual funding for McCormick Stadium maintenance and repairs. \$300,000 is budgeted to complete the replacement of the irrigation system at the Municipal Golf Course. Replacement of the irrigation system on the front nine at the golf course was funded in FY 2007-08. This additional funding will allow for replacement of the system on the back nine, which currently does not meet state regulations for backflow prevention. Completion of these improvements will keep the golf course in compliance with water protection regulations. The Parks CIP also includes \$200,000 for improvements at the Walton Street pool. The current pool has major structural problems, including water leakage which is costing the City money. Both of these projects will be financed along with the debt issuance for the sewer projects.
- The CIP includes an additional \$35,000 for traffic safety projects. This funding will be added to the money that Council approved midway through FY 2008-09, which will provide a total of \$100,000 for traffic safety projects in FY 2009-10.

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RELATIONSHIP TO THE ANNUAL OPERATING BUDGET

An important aspect of capital improvement planning is the effect that capital projects have upon the annual operating budget. Most CIP projects in the City of Asheville are funded through annual operating funds, such as the General Fund and the Water Resources Fund. In these instances, the Capital Improvement Program (CIP) and the annual operating budget are directly linked since these projects receive authorization with the adoption of the annual operating budget. Projects funded through debt financing also impact the operating budget through ongoing debt service expenses.

In addition, some completed CIP projects will impact the operating budget through ongoing expenses for staffing and operations. For example, when a new fire station or recreation center is built, the costs of maintaining and staffing the new facility must be funded in the operating budget. Advance knowledge of these costs aids in the budgeting process. Some CIP projects, such as new parking decks, may impact the operating budget by generating additional revenue as well as additional costs. Other projects may create cost savings by reducing annual operating expenses.

The estimated impact of the capital improvement budget on the annual operating budget in FY 2009-10 is \$22.85 million, including debt service costs incurred from the long-term financing of capital projects approved this year and in prior years, and pay-as-you-go financing of current year projects. The table below summarizes the total impact of the capital budget on the FY 2009-10 operating budget.

Total Impact of Capital Budget on FY 2009-10 Operating Budget	
General Fund CIP Transfer	8,367,222
Water Resources Fund CIP Transfer	6,298,735
Water Resources Fund Debt Service	7,637,399
Stormwater Fund Debt Service	50,000
Parking Services Fund Debt Service	<u>500,000</u>
Total	22,853,356

None of the capital projects approved in the FY 2009-10 budget are expected to add costs to the City's operating budget in future years. For the two sewer projects, once installation of the lines is complete, the City will turn over the maintenance of the lines to the Metropolitan Sewerage District (MSD) so the City will incur no ongoing costs from these projects. Two of the projects approved in the FY 2009-10 CIP – the Walton Street pool improvements and the golf course irrigation system replacement – are expected to generate costs savings in future years by reducing water usage at both facilities.

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GENERAL CAPITAL RESERVE FUND SUMMARY

Revenue Sources:

	Budget	Adopted	PLANNING YEARS			
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund Transfer	8,190,622	8,367,222	8,614,666	9,183,822	9,720,871	10,073,335
Land Sale Proceeds	1,150,000	0	0	0	0	0
Debt Proceeds	2,128,600	2,076,000	3,500,000	3,500,000	2,500,000	2,500,000
Grant Funding	40,000	0	0	0	0	0
Sewer Project Savings	0	534,000	0	0	0	0
Total Available Funds	11,509,222	10,977,222	12,114,666	12,683,822	12,220,871	12,573,335

Use of Funds:

	Budget	Adopted	PLANNING YEARS			
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Debt Service	5,709,822	5,429,922	5,636,238	4,797,144	4,806,469	3,946,477
Fleet Replacement	1,833,600	752,000	1,750,000	1,722,762	1,800,000	2,575,000
Facility & Equipment Maintenance	473,000	568,000	638,000	1,083,046	1,040,107	1,073,821
Technology Improvements	535,000	335,000	1,840,000	1,892,000	1,950,000	787,000
Parks & Recreation	455,500	535,000	760,000	1,635,000	1,060,000	1,785,000
Land Purchases	1,150,000	250,000	0	0	0	0
Civic Center	400,000	250,000	400,000	400,000	400,000	400,000
Streets & Sidewalks	952,300	952,300	952,300	1,037,669	1,010,295	1,839,000
Traffic & Pedestrian Improvements	0	35,000	138,128	116,200	154,000	167,037
Sewer Projects	0	1,870,000	0	0	0	0
Total Use of Funds	11,509,222	10,977,222	12,114,666	12,683,822	12,220,871	12,573,335

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GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

<u>PROJECTS</u>	2009/10	2010/11	2011/12	2012/13	2013/14
<u>Fleet Replacement</u>					
Police	300,000	350,000	400,000	450,000	500,000
Public Works	332,000	500,000	572,762	600,000	900,000
Building Safety		50,000	50,000	50,000	75,000
Parks & Recreation		100,000	100,000	100,000	100,000
Fire	120,000	750,000	600,000	600,000	1,000,000
Subtotal Fleet Replacement	752,000	1,750,000	1,722,762	1,800,000	2,575,000
<u>Facility & Equipment Maintenance/Upgrades</u>					
General Maintenance	275,000	300,000	325,000	325,000	375,000
Police Equipment		45,000		145,000	200,000
Municipal Building Repairs			125,583	85,873	
Building Security Enhancements	125,000	150,000	175,000	200,000	200,000
PW Facility Improvements - garage door		50,000			
PW Facility Improvements - wash bay			150,000		
Roll Cart Replacement			171,863	182,970	195,810
Fuel Dispenser Replacement			36,000		
Sidewalk Refuse Replacement			41,600	43,264	45,011
Government TV Equipment	58,000	58,000	58,000	58,000	58,000
Generator Replacement	110,000	35,000			
Subtotal Facilities/Equipment	568,000	638,000	1,083,046	1,040,107	1,073,821
<u>Sewer Projects</u>					
Sardis Road Sewer	1,620,000				
Airport Road Sewer	250,000				
Subtotal Sewer Projects	1,870,000	0	0	0	0

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GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS

Technology Improvements

Reduncancy for call center system
 Development Review Improvements
 BTIP Phase II
 Continuity of operations data center
 Fire supression system in Data Center
 Radio replacements - rolling stock
 Replace imaging system
 Voicemail system
 Remittance Processor
 Extend fiber optic capacity
 Radio system Infrastructure

Subtotal Technology

	2009/10	2010/11	2011/12	2012/13	2013/14
			30,000		
	200,000	200,000	200,000	200,000	200,000
			250,000	200,000	200,000
			112,000	100,000	100,000
		40,000			
	135,000	300,000	300,000	300,000	
				150,000	75,000
					62,000
		100,000			150,000
		1,200,000	1,000,000	1,000,000	
	335,000	1,840,000	1,892,000	1,950,000	787,000

Civic Center

Replace Lighting Fixtures
 Replace Elevator Motor Generator System
 Replace Spot Lights
 Replace Facility Curtains
 Replace Auditorium Carpet
 Replace Exterior Doors
 Repair Plaster/Paint Auditorium
 Renovate Banquet Hall
 Replace Marquee
 Thomas Wolfe Fire Exits
 Thomas Wolfe Roof
 General Improvements

Subtotal Civic Center

				100,000	
				75,000	90,000
		50,000	50,000		
		75,000	60,000		
		25,000			
			50,000	50,000	
					100,000
100,000	100,000	130,000	65,000		
25,000	40,000				
115,000					
	100,000	100,000	100,000	100,000	200,000
10,000	10,000	10,000	10,000	10,000	10,000
250,000	400,000	400,000	400,000	400,000	400,000

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GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS

Parks & Recreation

	2009/10	2010/11	2011/12	2012/13	2013/14
Urban Trail	0	50,000	50,000	50,000	50,000
Public Art	0	25,000	25,000	25,000	25,000
McCormick Field	35,000	35,000	35,000	35,000	35,000
Walton Street Pool Improvements	200,000				
Golf Course Irrigation	300,000				
Swimming Pool Improvements			300,000		300,000
Recreation Centers Improvements			300,000	300,000	300,000
Parks/Facilities Improvement			200,000	200,000	200,000
Land Acquisition Parks & Greenways			200,000	200,000	200,000
Stephens Lee Center Gym Floor Replacement					150,000
Pritchard Park Improvements			25,000	75,000	75,000
Nature Center Improvements				75,000	150,000
Azalea Parks Improvements		150,000		100,000	100,000
Carrier Park Improvements					100,000
McCormick Field Structure & Turf Renovation					100,000
Reid Center Improvements		500,000	500,000		
Subtotal Parks & Recreation	535,000	760,000	1,635,000	1,060,000	1,785,000

Land Purchases

Overlook Park Land Purchases

Subtotal Land Purchases

250,000				
250,000	0	0	0	0

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GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

<u>PROJECTS</u>	2009/10	2010/11	2011/12	2012/13	2013/14
<u>Streets & Sidewalks</u>					
Annual Paving/Maintenance Program	752,300	752,300	780,869	810,295	900,000
Annual Sidewalk Program	200,000	200,000	200,000	200,000	200,000
Brevard Road Sidewalk			56,800		
Hilliard Ave Sidewalk & Pedestrian Signals					614,000
Commerce Street ADA					125,000
Subtotal Streets/Sidewalks	952,300	952,300	1,037,669	1,010,295	1,839,000
<u>Traffic Improvements</u>					
Traffic Safety Projects	35,000	100,000	100,000	100,000	100,000
Sharrows Network 1		38,128			
Railroad Crossing Improvement			16,200	54,000	
Haywood Road Sharrows					18,653
Haywood Road Bicycle Lane					48,384
Subtotal Traffic Improv.	35,000	138,128	116,200	154,000	167,037

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WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

	REQUESTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14
1999 FORD PICKUP TRUCK	48,000				
1999 FORD PICKUP TRUCK	48,000				
1999 JCB BACKHOE	80,000				
2001 JCB BACKHOE	80,000				
2001 INTERN DUMP TRUCK	120,000				
2001 JCB BACKHOE	80,000				
2002 EXPLORER	20,000				
2002 S10 PICK UP	28,000				
2002 EXPLORER	20,000				
1999 JCB 215E BACKHOE	80,000				
2001 SALT/SAND SPREADER	20,000				
2001 RAM X PAD FOOT ROLLER	35,000				
2001 FORD RANGER	21,000				
1999 FORD PICKUP TRUCK	21,000				
1995 DITCH WITCH TRENCHER		49,000			
1999 NEW HOLLAND TRACTOR		27,500			
1990 GENERATOR NORTH FORK		90,000			
1990 GENERATOR PEACH KNOB		25,000			
2003 S10 PICKUP		21,000			
2002 SKID STEER LOADER		38,500			
1995 FORD TRACTOR 4WD		39,600			
2002 INTERNATIONAL TANDEM		114,000			
2002 CHEVY SUBURBAN		33,000			
2003 DODGE DURANGO		26,400			
1995 FORD TRUCK PRO PAT		170,000			
2000 CHEVY PICKUP		22,000			
1998 AIR COMPRESSOR		15,000			
2003 S10 PICKUP		21,000			
2004 CHEVY COLORADO		21,100			
2003 CHEVY MALIBU		20,000			
2002 JOHN DEER BACK HOE		80,000			
2002 LEEBOY ROLLER			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2003 CHEVY MALIBU			22,000		
2005 JEEP LIBERTY			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2004 BOBCAT SKID STEER			38,500		
2004 CHEVY SERVICE BODY			35,000		
2004 CHEVY SERVICE BODY			35,000		
2003 DODGE DURANGO			26,000		

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	REQUESTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14
2005 6X12 TRAILER			10,000		
2005 FORD TRUCK F350			35,000		
2005 CHEV. PICKUP S-10			22,000		
2005 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2005 WSTR TANDEM			122,000		
2005 WESTERN STAR TANDEM			105,000		
2005 FREIGHTLINER PATCH T			176,000		
2005 FORD TRUCK RANGER				22,000	
2007 CUSTOM 20TN TRAILER				16,000	
1999 FORKLIFT MILLS RIVER				24,200	
2007 CUSTOM 20TN TRAILER				16,000	
2004 410G BACKHOE				80,000	
2005 CHEV. TRUCK 1-TON				35,000	
2004 FORD F750 SGL DUMP				70,000	
2004 STERLING LT9500				115,000	
2004 STERLING LT9500				110,000	
2005 CHEV. TRUCK 3/4-TON				35,000	
2006 HOMESTEADER TRAILER				10,000	
2005 FORD TRUCK F350				35,000	
2004 CASE MODEL C60 TRENCHER				13,000	
2005 DITCH WITCH TRENCHER				8,100	
2006 CHEVY 2500HD CNG				35,000	
2005 6X10 TRAILER				10,000	
2006 CHEVY 2500HD CNG				38,000	
2006 INTERNATIONAL 7600 T				105,000	
2006 CAROLINA 22TN TRA				15,000	
2006 CAROLINA 22TN TRA				15,000	
2007 AIR COMPRESSOR				15,000	
2006 CAROLINA 22TN TRA					15,000
2006 5X10 TRAILER					10,000
2006 CAROLINA 22TN TRA					15,000
2007 CAROLINA TLR 22 TON					15,000
2007 POLARIS 500 6X6					7,000
2004 CHEVY COLORADO					21,800
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					21,800
2006 FORD F350 SUPERCAB 4X4					35,000
2006 FORD EXPLORER					32,000
2006 CHEV. PICKUP TRUCK					29,700
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					22,500

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	REQUESTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14
2006 FORD F350 SUPERCAB 4X4					26,400
2006 JOHN DEERE 410G BACKHOE					80,000
2007 FORD TRUCK F150 4X4					20,000
2007 FORD TRUCK F350					38,000
2007 DODGE 3500 QUAD CAB					38,000
2007 DODGE 3500 QUAD CAB					38,000
2007 FORD TRUCK F150 4X4					25,000
2007 FORD TRUCK F150 4X4					25,000
2008 FORD F350 4X4 DUMP					46,000
2007 DODGE DURANGO					20,000
2009 STERLING TRI-AXLE DUMP					120,000
1970 AIR COMPRESSOR					15,000
2007 FORD TRACTOR					35,000
TOTAL	701,000	813,100	824,500	822,300	821,200

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WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

NC DOT Projects:

I-240 Widen I-26 to N. of Haywood
 Long Shoals at I-26
 I-26 (Patton to 19/23)
 Long Shoals I-26 to US 25
 Long Shoals I-26 to 191
 Brevard Rd (Parkway to Long Shoals)
 Brevard Rd (Long Shoals to NC 280)
 Sweeten Creek Rd (Rock Hill to US 25)
 I-26 Widening Project

Distribution Systems Projects:

Pump Station Meters
 North Fork Lagoon # 3
 Reynolds MHP Water System Upgrade
 Viewmont Acres MHP Water System Upgrade
 Beaucatcher Tank Demolition
 Allen Mountain Upgrade
 William DeBruhl WTP Backwash Lagoon
 Brevard Road Waterline from I-26 to Mall
 Spivey Mountain Tank
 24" and 36" Main Replacement Evaluation
 Walnut Cove Pump Replacement
 Automated Meter Reading (AMR)
 Merrimon Avenue Main Replacement
 New Mills Gap Pump Station
 Additional Water Treatment Plant Capacity
 Distribution System Refurb/Replace
 Affordable Housing Infill Development Incentive

Management Tools / Equipment:

Meter Testing
 Main Marking / Mapping / Model
 New Maintenance Facility
 Master Plan Update

Total Use of Funds

2009/10	2010/2011	2011/2012	2012/2013	2013/2014
162,920				
800,108				
282,000				
253,442				
	569,250	569,250		
		711,489	711,489	
		1,233,375	1,233,375	
			1,527,933	1,527,932
			2,000,000	2,000,000
150,000				
180,000				
420,420				
664,001				
125,000				
250,000				
400,000				
225,000				
	550,000	550,000		
	75,000			
	400,000			
1,390,576	2,000,000	2,000,000		
				1,500,000
				373,440
	1,185,000	1,185,000	1,185,000	1,178,400
44,268	500,000	500,000	500,000	500,000
250,000	250,000			
	100,000	100,000	100,000	100,000
	500,000	500,000	500,000	500,000
\$5,597,735	\$6,129,250	\$7,349,114	\$7,757,797	\$7,679,772